

---

# I. THE COUNTRY

---

## Area and Geography

Panama lies at the Southernmost end of the Central American isthmus, bordered by South America (Colombia) and Central America (Costa Rica). The total land area is 77,082 square kilometers, lying on a general East-West axis. Elevation varies from the near sea level regions bordering Colombia, in the East, to the higher elevations in Chiriqui Province, bordering Costa Rica, where some peaks reach 3000 meters and higher.

## Climate

Panama City's climate is tropical, with an average daily temperature of 27° C (80° F) and little variation throughout the year. Humidity varies from 50% (March) to 98% (October). The two seasons are winter (rainy season) lasting from April to December, and summer (dry season) lasting December to March. Rain can be heavy during the winter, averaging about an inch per day. The summer is almost free of rain.

## History and Government

The Isthmus of Panama was discovered by the Spanish in 1501 and, by 1513, Vasco Nuñez de Balboa had sighted the Pacific Ocean from the peaks of Darien. Panama City, on the Pacific Ocean, was founded in 1519 and served as the base for Spanish exploration and conquest of what are now Chile, Bolivia, Peru, Ecuador and Colombia. As colonial trade with Pacific South America developed, Panama became the transit point between Spain and these colonies, developing the commercial and trade fair activity which continues into the present.

Panama achieved independence from Spain in 1821, joining the Gran Colombia confederation composed of present-day Venezuela, Colombia, Ecuador and Panama. This confederation dissolved in 1830, although Panama remained part of Colombia until 1903 when, with the support of the United States, it achieved independence. The Canal Treaty with the United States was signed shortly thereafter.

Panama's government is divided into Executive, Legislative and Judicial branches. Executive power is held by the